

HORNBECK OFFSHORE SERVICES INC /LA  
Form 10-Q  
November 06, 2015  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended September 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-32108

Hornbeck Offshore Services, Inc.  
(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)  
103 NORTHPARK BOULEVARD, SUITE 300  
COVINGTON, LA 70433  
(Address of Principal Executive Offices) (Zip Code)  
(985) 727-2000  
(Registrant's Telephone Number, Including Area Code)

72-1375844  
(I.R.S. Employer  
Identification Number)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Non-accelerated filer

Accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The total number of shares of common stock, par value \$.01 per share, outstanding as of October 31, 2015 was 35,849,293.



Table of Contents

HORNBECK OFFSHORE SERVICES, INC. AND SUBSIDIARIES  
FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
TABLE OF CONTENTS

<u>PART I—FINANCIAL INFORMATION</u>	<u>1</u>
<u>Item 1—Financial Statements</u>	<u>1</u>
<u>Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>11</u>
<u>Item 3—Quantitative and Qualitative Disclosures About Market Risk</u>	<u>25</u>
<u>Item 4—Controls and Procedures</u>	<u>26</u>
<u>PART II—OTHER INFORMATION</u>	<u>26</u>
<u>Item 1—Legal Proceedings</u>	<u>26</u>
<u>Item 1A—Risk Factors</u>	<u>26</u>
<u>Item 2—Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>26</u>
<u>Item 3—Defaults Upon Senior Securities</u>	<u>26</u>
<u>Item 4—Mine Safety Disclosures</u>	<u>26</u>
<u>Item 5—Other Information</u>	<u>27</u>
<u>Item 6—Exhibits</u>	<u>29</u>
<u>SIGNATURE</u>	<u>32</u>

Table of Contents

## PART 1—FINANCIAL INFORMATION

## Item 1—Financial Statements

## HORNBECK OFFSHORE SERVICES, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	September 30, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$302,618	\$185,123
Accounts receivable, net of allowance for doubtful accounts of \$2,996 and \$3,693, respectively	86,456	130,969
Deferred tax assets, net	5,347	45,531
Other current assets	15,762	20,049
Current assets from discontinued operations	—	470
Total current assets	410,183	382,142
Property, plant and equipment, net	2,516,894	2,459,486
Deferred charges, net	55,318	68,953
Other assets	15,301	11,870
Total assets	\$2,997,696	\$2,922,451
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$37,028	\$42,404
Accrued interest	13,591	14,890
Accrued payroll and benefits	14,097	14,830
Deferred revenue	592	1,561
Other accrued liabilities	15,378	9,360
Total current liabilities	80,686	83,045
Long-term debt, net of original issue discount of \$44,141 and \$51,528, respectively	1,080,859	1,073,472
Deferred tax liabilities, net	389,520	392,492
Other liabilities	1,260	1,117
Long-term liabilities of discontinued operations	—	1,560
Total liabilities	1,552,325	1,551,686
Stockholders' equity:		
Preferred stock: \$0.01 par value; 5,000 shares authorized; no shares issued and outstanding	—	—
Common stock: \$0.01 par value; 100,000 shares authorized; 35,834 and 35,557 shares issued and outstanding, respectively	358	356
Additional paid-in-capital	744,526	736,294
Retained earnings	704,509	635,017
Accumulated other comprehensive loss	(4,022	) (902
Total stockholders' equity	1,445,371	1,370,765
Total liabilities and stockholders' equity	\$2,997,696	\$2,922,451

The accompanying notes are an integral part of these consolidated statements.



Table of ContentsHORNBECK OFFSHORE SERVICES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	(Unaudited)		(Unaudited)	
Revenues	\$116,281	\$166,890	\$387,351	\$474,574
Costs and expenses:				
Operating expenses	54,938	76,425	173,900	216,411
Depreciation	20,958	18,201	61,114	51,998
Amortization	6,392	10,810	20,192	33,916
General and administrative expenses	12,188	11,220	37,143	40,392
	94,476	116,656	292,349	342,717
Gain on sale of assets	11,004	—	44,060	161
Operating income	32,809	50,234	139,062	132,018
Other income (expense):				
Interest income	381	233	988	880
Interest expense	(9,712)	(7,808)	(29,895)	(22,056)
Other income (expense), net	94	52	1,016	15
	(9,237)	(7,523)	(27,891)	(21,161)
Income before income taxes	23,572	42,711	111,171	110,857
Income tax expense	9,148	16,152		